

DATE: September 25, 1995

SUBJECT: LEISURE ACCESS POLICY - REVIEW

RECOMMENDATION:

THAT the following report be received as information.

BACKGROUND

At a meeting of the Board held on September 26, 1994 the Board considered the following Notice of Motion:

"That we issue via GAIN cheques issued by the Ministry of Social Services, a pass to all persons on income assistance permitting them free usage of all facilities and services offered by the Park Board."

This motion was deferred pending discussions with Community Associations.

This motion was discussed at a Presidents' Meeting held in November, and the presidents requested that a staff report on the impact of this motion be circulated to them prior to the Board making a decision on the motion.

The Leisure Access Policy enables any Vancouver resident who receives financial assistance from the GAIN and related programs to receive a Leisure Access Card. This card provides free access to all public swim and ice skating sessions and free skate rentals during public sessions. It also allows a 50% reduction in the costs of the following programs and services:

- Flexi-passes
- Fitness Centres
- Swim and Skate Lessons
- Racquet Court Admissions
- Stanley Park Childrens' Farm
- Bloedel Floral Conservatory
- Stanley Park Miniature Railway
- Pitch and Put Fees and Rentals
- VanDusen Gardens

Further reductions are available for Leisure Access Card holders who are unable to pay the reduced rate for lessons and flexi-passes.

The only Park Board facilities that are not included in this program are the three regulation golf courses.

Recipients of GAIN assistance may receive their pass in two ways; they may request an application form from any office of the Ministry of Social Services which they may take to any facility operated by the Board; or they may present a GAIN check stub along with some personal identification at any facility.

Persons who do not receive any form of assistance and cannot afford to participate in Board programs may receive a card by a simple declaration of need.

The intent of the Board's Motion would be to have the Leisure Access Cards mailed to all GAIN recipients along with their GAIN checks, thereby insuring that 100% of those eligible do in fact receive the card. The Ministry have indicated that they are not able to do this, but would ensure that information on the program is distributed if the Board provides them with the information. This has been previously reported to the Board and staff are currently working on putting this arrangement in place in consultation with End Legislated Poverty.

A second intent of the Notice of Motion is that all persons possessing a Leisure Access Card have free access to all facilities and services offered by the Park Board. This aspect of the motion would change the current Leisure Access policy. As indicated above, the policy provides for free access to only public sessions at rinks and pools, and an automatic 50% discount for other services or programs, with further

discounts available if needed. In addition, golf courses would be added to the list of facilities where the Leisure Access Card would be accepted.

This report will outline the impact of the current Leisure Access Policy on participation and budget. It will then analyze the impact of Commissioner Louis' notice of motion on the program .

DISCUSSION

Financial Impact

The Leisure Access Policy was implemented in 1993. During a review in 1994, it was calculated that the cost of the program in decreased revenue was about \$50,000 during its first full year of operation. The revenue that would have been produced had the users paid the regular fee was \$225,000. This figure could be considered the value of the services used by LAC holders. The potential market value of the cards issued was over \$2 million.

Another review recently completed and intended to evaluate the second full year of operation indicates that the cost of the program in terms of revenue reduction has risen to about \$80,000.

As was anticipated during the development of the policy and was supported by the first analysis of the program, the financial impact is not evenly distributed between facilities. The impact is strongest in swimming pools and is most identifiable for public admissions. The facility most impacted is Britannia. As it is not a part of the Park Board budget, it is not included in this analysis. Board operated facilities which had the most significant decrease in budgeted revenues were Vancouver Aquatic Centre (\$30,000) Percy Norman Pool (\$25,000), Templeton Pool (\$15,000) and Killarney Pool (\$9,000)

An analysis of subsidized admission to swimming pools from 1992 to 1994 can be found in Appendix 1. As can be seen from the chart, in 1992 18% of all patrons of public sessions were subsidized. In 1993 the figure had risen to 20%; 24% in 1994.

In addition to the free admissions calculated above, the program also provides discounts to most other recreation services. The value of these discounts is reported as \$42,113 in 1993. This figure increased to \$80,743 in 1994. It is assumed that the majority of the discounts were 50% reductions.

Among swimming pools, the value of discounts was highest in east side facilities. (See Appendix 2). Fitness Centres also reported significant and increasing volumes of discounts. The West End, Kitsilano and Mount Pleasant Fitness Centres reported the largest number of discounts. (See Appendix 2)

These discounts do not necessarily translate into a direct loss of revenue. Given that the revenue figures for most facilities remained relatively stable or increased, it is suggested that the discount encourages additional participation, either in increased number of users or increased visits per user. However, it is almost certainly true that some users who once paid full rates are now paying discounted rates for admissions.

It is also likely that some of the revenue impact of the program is masked by other factors that are not easily isolated. In several facilities, staff have been successful in providing and developing more revenue producing services.

Participation

The number of LAC holders increased from 21,698 in 1993 to 26,808 in 1994, an increase of 23.6%.

During the first 6 months of 1995, a further increase of 25% has been noted.

LAC free admissions to public swimming sessions increased from 55,786 in 1993 to 93,128 in 1994, an increase of 66.9%. Participation varied significantly between facilities from 839 users at Kerrisdale to 39,308 at the Vancouver Aquatic Centre. (See Appendix 1). Again, LAC

participation at Britannia Pool was considerably higher than Park Board facilities. (54,077)

The increases in the number of cardholders and the direct costs of the program over its first two years are of concern, particularly if this trend continues. As only about 1/6 of the eligible population are currently using the LAC Card, there is considerable room for growth.

Impact of the Notice of Motion

An intent of the Notice of Motion is that all persons possessing a Leisure Access Card have free access to all facilities and services offered by the Park Board. This would change the current Leisure Access Policy. As indicated above, the policy provides for free access to only public sessions at rinks and pools, and an automatic 50% discount for other services or programs, with further discounts available if needed. In addition, regulation golf courses would be added to the list of facilities where the Leisure Access Card would be accepted. The following is an analyses of the economic impact of this change.

Rinks and Pools

Currently LAC admissions to pools and rinks are free of charge. Participation in these activities increased from 1993 to 1994. It is likely that LAC participation will continue to increase at a significant rate. It could be assumed that since there is no admission charge currently, there should be no additional loss of revenue resulting from making the proposed change. However, as additional people are drawn to the program by the added services, the impact of lost revenue from patrons who once paid regular admissions could be significant. As well, large increases in patronage will result in higher staffing costs. No attempt has been made to calculate these costs.

A seemingly straight forward calculation involves the value of the discounts currently provided by the Policy. In 1993 the value of the 50% discounts for recreation facilities is reported as \$42,113. In 1994 the value of the discounts increased to \$80,743.

Assuming that the majority of the discounts were for 50% of the regular registration fee, the minimum cost of changing to free admission to these services would be an equivalent dollar value - \$80,743.

At least two factors lead staff to believe that this number would be considerably higher. It can be reasonably assumed that more people would seek out and use a card which provides free access rather than a 50% discount to relatively high cost activities. As some of the services covered by this provision of the program are relatively expensive, (e.g. swim lessons and flexipasses), many people may not have been able or willing to pay for the services even at the discounted rate. As a free service, this barrier would be eliminated and it is likely that the number of participants would increase significantly. In public sessions, this would have the general impact of increasing the number of people attending a given session. In limited registration programs such as swim lessons, and in limited space facilities such as busy fitness centres, the effect of providing free access will likely be to reduce access by those paying regular rates. Unfortunately, in most facilities, particularly in those in which participation may see the largest increase, there is a very limited ability to increase capacity.

There are few indicators as to what the cost of this may be. The only figures which may provide a hint are those related to the increase in participation in pools resulting from the introduction of the LAC Program. In 1992, participation related to the Swim/Skate pass, which provided fewer services than the LAC, was 31,091. In the first two years of the LAC Program, participation has tripled to 93,128. It is expected that participation will continue to grow.

Applying this magnitude of change in participation to the discounted services at pools, one might calculate the impact as triple the total value of the discounted services, i.e. slightly over \$125,000 per year.

Fitness Centres

The annual value of the discounts in fitness centres is, interestingly enough, almost exactly the same as that for pools. Applying the same calculations to these figures therefore results in the same anticipated

annual cost - \$125,000.

Regulation Golf Courses

As indicated above, LAC Cards are not valid at the three regulation golf courses.

It is difficult to forecast how many LAC Card holders would take advantage of playing golf. The value of one round of golf in 1995 is \$30.00. Without carrying out a survey of card holders, it is not possible to know for certain the potential use of the courses, however up to 5% of total rounds is possible.

Complete free access to the pitch and putt and regulation golf courses could result in the potential of abuse from members of the public who recognize the considerable savings in obtaining a LAC Card. Photo ID would be required to eliminate abuse.

In a worst case scenario, a black market for LAC Cards could occur, because of the value of a game of golf. There could also be a backlash from golfers who are paying the full rate and seeing other golfers playing for free.

Based upon an estimate of 5% of golf rounds being played on the LAC Card, the impact would be as follows:

$$80,000 \times 5\% \times \$25 = \$100,000 \text{ per golf course}$$

The \$25 rate is a blend between the adult regular rate (\$30) and the adult twilight rate (\$18.25).

On the pitch and putt courses, based upon 5% of golf rounds being played on the LAC Card, the impact would be as follows:

$$50,000 \times 5\% \times \$6 \text{ (blended rate)} = \$15,000 \text{ per course.}$$

The total impact on all golf courses is as follows:

$$3 \text{ regulation courses} \times \$100,000 = \$300,000$$

$$3 \text{ pitch and putt courses} \times \$15,000 = \$45,000$$

Total \$345,000

Miniature Train and Children's Farm

During 1994, the impact of current LAC Policy was \$1,030. The proposed policy change could raise this impact to \$2,060.

Bloedel Conservatory

During 1994, the impact of the current LAC Policy was \$504. The proposed policy change could raise this impact to \$1,008.

VanDusen Botanical Display Garden

During 1994 the impact of the current LAC Policy was \$500. The proposed policy change could raise this to \$1,000.

CONCLUSION

The above analysis indicates that the impact of the proposed policy change could be as follows:

Rinks and pools	\$125,000
Fitness Centres	\$125,000
Golf Courses	\$345,000
Other facilities	\$ 4,000

Total \$599,000

The change from the Swim/Skate Pass to LAC was a less dramatic shift in accessibility than the currently proposed change. There is a reasonable likelihood that the budget impact will be much higher than \$599,000.

The financial impact of the current policy is increasing each year and this trend must continue to be carefully monitored. The proposed policy change will accelerate this trend, and this could have a serious impact on the Board's finances.

The current LAC program targets one in four Vancouver residents. This report suggests that an expansion in the program discounts, to the same target group, will result in additional revenue losses. If the proposed changes were put in place it would be necessary to take steps to contain the revenue loss, which cannot be sustained over the long term. Some of the options that the Board could consider include:

1. Increased fees to those not targeted by this program to offset project revenue losses;
2. Reduce the target group for the program, from the employed poor and GAIN recipients, (25% of the population), to only GAIN recipients (12.5% of the population).
3. Introduce more rigorous screening procedures to ensure the eligibility of all program applicants.
4. Introduce a two-tiered system of reduction: one level for GAIN recipients, the other for those who meet the low income guidelines set by the National Council of Welfare.

The consequences of each of these options are not explored in this report. However, each of these methods is a significant departure from the original goals of the program, which are as follows:

The LAC program must....

1. Be simple and free of red tape.
2. Respect the dignity and honesty of individuals.
3. Be non-stigmatizing.
4. Be responsive to a wide range of economic need.
5. Access the widest possible range of services.

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Appendix 1
SWIMMING POOL ATTENDANCE - SUBSIDIZED ADMISSION (as a percentage of total attendance)

Column #	1	2	3	4	5	6	7	8	9	10	11	12
	'92 Total Public	'93 Total Public	'94 Total Public	'92 Free Swim	'93 Free Swim	'94 Free Swim	'92 Swim Skt Pass	'93 LA Card	'94 LA Card	%	%	%
Kensington	43,926	67,328	73,965	5,138	6,364	6,227	2,733	2,914	9,564	18	14	21
Kerrisdale	48,517	49,663	45,039	9,349	6,298	5,917	258	581	839	20	14	15
Killarney	79,414	82,957	86,852	16,127	15,967	13,746	2,000	3,000	3,859	23	23	20
Lord Byng	64,743	57,697	56,387	13,177	10,074	12,136	1,386	2,176	2,658	22	21	26
PercyNormn	86,852	110,281	128,875	5,884	3,650	4,981	3,746	7,661	11,965	11	10	13
Renfrew	111,170	103,718	105,690	18,444	16,498	18,896	3,108	5,889	10,295	19	21	28
Templeton	92,393	87,650	92,375	15,045	16,936	15,115	5,704	9,625	14,640	22	30	32
VAC	193,981	182,925	187,504	15,711	17,060	16,955	14,156	23,940	39,308	15	22	30
Totals	720,996	742,219	776,687	98,875	92,847	93,973	31,091	55,786	93,128	18	20	24

Legend:

- Columns 1,2,3: total public swim attendance, including subsidized admissions
- Columns 4,5,6: attendance at all no-fee public swim sessions (min. 4 hours each pool)
- Column 7 : the Swim-Skate Pass was available for GAIN recipients; for free swim or skate admission only-program ended in 1992, in favour of LAC
- Columns 8,9 : participation by Leisure Access Card holders at regular fee swim sessions
- Column 10 : column 4 plus column7 (free swim plus LA card use) divided by column 1 (total public) equals the percentage of subsidized attendance
- Columns 11,12: same formula as column 10; note the steady growth in subsidized participation from 1993 to 1995

Notes: Does not include VAC Fitness Centre. All other pools have fit centre attendance included in public

sessions; also, fitness centre participants were not added to some facility "public admission" totals until 1993.

November 10, 1995 POOL ATTENDANCE - SUBSIDIZED ADMISSION (as a percentage of total admission)

Other Pools *	Total Public	Total Public	Total Public	Free '92	Free '93	Free '94	SwSkP '92	LAC '93	LAC '94	%Disc '92	%Disc '93	%Disc '94
Britannia +	106,042	178,960	172,092	9,610	11,336	11,538	21,154	50,693	54,077	29	35	38
Outdoor Pools	287,404	200,066	232,446	160,906	81,821	102,897	3,258	4,044	7,094	57	43	47

* not included in the main graph because:

- Britannia revenues are not a concern of the Park Board
- Outdoor pools provide free access to children 12 and under at all times. Consequently, any comparison with indoor pool subsidies are not appropriate, as children 6-12 years of age pay to swim in an indoor pool

+ Adult fees are charged only in primetime - 1992 & prior; adult fees charged all hours, 1993 to present. This should explain the dramatic decrease in % free between 1992 and 1993

November 10, 1995

Appendix 2

LEISURE ACCESS PRICE DISCOUNTS in 1994

Discounts are the portion of fees waived for Leisure Access Card holders to purchase swim and skate lessons, flexipasses, fitness centre admissions and racquet court admissions.

Most skate lesson and court fee discounts are included in pool or fitness centre reports.

Facility	1993	1994	% Increase
Pools			
Kensington	4533.90	5561.49	22.6
Kerrisdale	634.79	1031.06	62.4
Killarney	3076.99	4225.94	38.3
Lord Byng	662.08	907.98	37.2
Percy Norman	4750.69	8243.33	73.5
Renfrew	3964.28	7598.00	91.6
Templeton	1045.14	9297.95	890.0
V.A.C.	1300.00	1786.46	37.4
Outdoor (5)	455.73	538.50	18.1
Rinks *			
Kerrisdale	11.88	0.00	
Sunset	58.04	536.57	924.5
Courts *			
Hastings	355.15	505.85	42.4
Fitness Centres *			
Champlain Hts	1167.14	1169.26	-0-
Dunbar	817.07	3522.65	431.1
Kitsilano	5254.58	9916.15	88.7
Marpole-Oakridge	1384.66	1718.75	24.1
Mount Pleasant	4492.55	8002.60	78.1
Trout Lake	1603.62	2968.45	85.1
West End	6299.62	13210.53	109.7
Totals	\$ 42,112.80	80,743.45	91.7

Please Note: requests to reduce fees beyond the 50% discount are rare; therefore, it is assumed that card holders paid fees equal to the stated discounts.